CANADA-NOVA SCOTIA
Crop Insurance

ANNUAL REPORT

1984-1985

THE
NOVA SCOTIA
CROP & LIVESTOCK
INSURANCE COMMISSION

Agriculture Canada

Nova Scotia

Province of Nova Scotia

Nova Scotia

Department of Agriculture and Marketing

Office of the Minister

PO Box 190
Halifax, Nova Scotia
B3J 2M4

September 13, 1985

His Honour
The Honourable Alan R. Abraham, C. D.
Lieutenant Governor of the
Province of Nova Scotia
Government House
Halifax, Nova Scotia

Dear Sir,

I have the honour to transmit herewith the Sixteenth Annual Report of the Nova Scotia Crop and Livestock Insurance Commission for the fiscal year ended March 31, 1985.

I am, Your Honour,

Yours very truly,

Roger S. Bacon

/eew
Enclosure

CANADA-NOVA SCOTIA
Crop Insurance

Nova Scotia
Crop and Livestock
Insurance Commission

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The Honourable Roger Bacon
Minister of Agriculture & Marketing
P.O. Box 190
Halifax, Nova Scotia
B3J 2M4

Sir:

Presented herewith is the Sixteenth Annual Report of the Nova Scotia Crop and Livestock Insurance Commission for the fiscal year ended March 31, 1985.

Respectfully submitted,

P.A. VanOostrum
Chairman

D.G. MacNeil
Manager

DGM/kb

Agriculture Canada

Province of Nova Scotia

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SUMMARY 1984 CROP YEAR:

The winter of 1984 was variable, the snow disappeared in February when rains and mild weather occurred causing severe flooding conditons in the central areas of the Province.

The spring was very backward with cold weather prevailing causing a delay in spring planting, preventing the application of nitrogen to winter cereals, and very conducive to blight in lowbush blueberries. The weather improved the last two weeks of May which not only benefitted spring planting but permitted the Commission Field Staff to complete the field inspections of 4,000 acres of lowbush blueberries, 4,500 acres of apples and pears, 1,700 acres winter cereals and 115 acres of strawberries. Due to wet weather earlier in the spring many farmers were not able to complete planting prior to the Final Seeding Dates, hence the Final Seeding Date for spring grain was extended from June 5th - June 12th.

The weather changed dramatically in July resulting in drought conditions into the month of August. The blueberry growers encountered a marketing problem resulting in a significant decrease in price paid, however this situation did not affect the number of claims paid under the blueberry insurance plan since the Program guarantees production not price.

Bean harvesting was completed on September 11th., there were 158 acres of beans by-passed due to excessive moisture. The fall of 1984 will be remembered as one of the best in a great number of years, the first fall frost occurred on September 18th. The lack of moisture in the fall was good for harvesting, however a very serious lack of water problem existed for many homes particularly in the South Shore area of the Province.

The apple and tobacco crops were of excellent quality, with many tobacco growers harvesting the largest crop ever. The first snow fall occurred on November 14th.

During the 1984 crop year, the Commission Field Representatives took 229 soil samples from insured barley and winter grain fields when doing their field inspections. As well, the Commission assisted the Tobacco Growers Association by measuring the total tobacco acreage grown in 1984.

In summary, the 1984 crop year had its ups and downs and at times during the growing season it appeared that unless the weather improved a serious condition could happen, however mother nature cooperated at crucial periods especially during harvest which meant the Commission experienced a good year from a financial stand point.

FINANCIAL PARTICIPATION:

1. **ADMINISTRATION:**

   The Government of Nova Scotia contributes all of the administration costs totalling approximately $218,000.00 and plus the reinsurance premium amounting to $33,783 for the 1984/1985 fiscal year.

2. **PREMIUM:**

   The Government of Canada provides financial assistance to the Canada-Nova Scotia Crop Insurance Program by contributing fifty percent of the total premium required each year. The Federal Government's contribution to this Province's Crop Insurance Program will total approximately $224,000 for 1984/85.

OBJECTIVES AND RESPONSIBILITIES:

1. To make available to Nova Scotia farmers, a Crop and Livestock Insurance Program that will be of benefit in times of low crop yields or in the event of livestock losses, thus providing a stabilizing effect for the farmer and the Agricultural community in general.

2. The administration of the Crop and Livestock Insurance program is the responsibility of the Commission under the authority of the Minister of Agriculture and Marketing for the Province of Nova Scotia. It is subject to the provisions of the Nova Scotia Crop and Livestock Insurance Act, and the Crop Insurance Agreement between the Governments of Nova Scotia and Canada.

3. The administration of Crop and Livestock Insurance plans in Nova Scotia, established by regulations including the functions of sales, promotion, underwriting, field inspections, adjusting and payment of claims and accounting.

INSURANCE PLANS IN FORCE:

1. Spring Grain - Oats, Barley, Wheat and Mixed Grain
2. Winter Grain - Rye, Wheat
3. Tree Fruit - Apples, Pears
   - Tree Protection
4. Tobacco
5. Corn - Silage, Grain
6. Pea and Bean - Processing
7. Lowbush Blueberries
8. Strawberries
9. Forage
10. Dairy

FEATURES OF THE CROP INSURANCE PLANS:

1. Designated Perils:

Wind, frost, drought, excessive moisture, excessive rainfall, disease, insects, winter kill, flood, hail and wildlife - specific to certain Insurance Plans.

2. Type of Insurance:

Each insured crop is guaranteed a specific yield based upon the past production records of each insured producer, when no past records are available, a bench mark will be used.

3. Quality Guarantee:

Losses due to low quality may be taken into consideration for the following Insurance Plans: Tree Fruit and Tobacco.

4. Premium Discount:

The discount in premium is designed to recognize differences in risk between location, management and is based upon frequency of claims and years of participation in the Crop Insurance Program by the insured. The following Insurance Plans have a premium discount system:

(a) Spring Grain
(b) Corn
(c) Lowbush Blueberries
(d) Tree Fruit
(e) Tobacco
(f) Strawberries
(g) Winter Grain

CROP INSURANCE PLANS SUMMARY (APRIL 1, 1984 - MARCH 31, 1985)

PLAN NAME	NUMBER CONTRACTS	NUMBER INSUREDS	NUMBER ACRES INSURED	$ TOTAL COVERAGE	$ TOTAL PREMIUM	NUMBER CLAIMS	$ TOTAL INDEMNITY
Spring Grain	295	168	O- 2,207.11	161,534.21	14,462.90	17	7,870.92
			B- 2,151.96	208,161.20	18,446.84	11	5,160.32
			W- 213.30	19,710.71	2,501.92		
			M- 274.21	23,943.26	2,225.84	6	1,435.36
			4,846.58	413,349.38	37,637.50	34	14,466.60
Tree Fruit	79	78	A- 4,280.50	2,481,904.95	106,689.94	4	8,077.85
			P- 140.00	72,853.69	3,287.26	1	1,916.16
T.I. Endor.	19	19	T-162,995.00	2,574,381.00	10,297.58		
			4,420.50	5,129,139.64	120,274.78	5	9,994.01
Tobacco	14	14	622.43	1,510,762.03	50,319.02		
Peas & Beans	43	37	P- 1,757.30	549,822.11	63,229.32	4	11,946.94
			B- 2,162.50	697,834.35	80,250.70	10	51,338.07
			3,919.80	1,247,656.46	143,480.02	14	63,285.01
Forage (84/85)	21	21	426.00	19,900.00	2,784.00	* 6	1,931.30
Corn	75	48	2,109.70	313,301.45	29,270.04	4	5,048.87
Blueberries	145	135	3,977.74	687,213.98	36,290.22	22	24,970.74
Strawberries	20	20	96.82	106,714.48	8,505.90	3	1,833.20
Winter Grain (84/85)	29	29	W- 1,413.80	223,521.43	17,112.18	6	4,657.76
			R- 153.15	20,154.10	2,036.84	6	4,062.03
			1,566.96	243,675.53	19,149.02	**12	8,719.79
SUMMARY	740	569	21,986.53	$ 9,671,712.95	$ 447,710.50	100	$130,249.52

* Claims paid on Forage for the 1983-1984 crop year ($1,431.30)
** Claims paid on Winter Grain for the 1983-1984 crop year.

SUMMARY OF CROP INSURANCE PLANS

(1969-1984 Crop Years inclusive)

PLANS	NO. YEARS	NO. CLAIMS	TOTAL PREMIUM	CLAIMS PAID	LOSS RATIO
1. Spring Grain	16	701	$ 388,727	$ 320,092	0.82
2. Corn	14	261	442,174	367,027	0.83
3. Tree Fruit	15	180	720,673	585,760	0.81
Tree Rider	1*	-	7,040	-	
4. Winter Grain	15*	116	181,531	103,729	0.57
5. Tobacco	14	11	363,345	74,621	0.20
6. Strawberries	11	63	84,307	80,560	0.96
7. Blueberries	12	170	288,927	150,160	0.52
8. Peas & Beans	13	292	1,198,105	1,000,464	0.84
9. Forage	7*	84	35,164	29,299	0.83
TOTAL		1,878	$ 3,709,993	$ 2,711,713	0.73

* Does not include Summary of 1984-85 due to claims pending after March 31st., 1985.

OPERATIONS SUMMARY OF CROP INSURANCE YEARS

(1969-1984 Fiscal Years inclusive - April 1 - March 31)

CROP YEARS	NO. CONTRACTS	TOTAL COVERAGE	TOTAL PREMIUM	CLAIMS PAID	LOSS RATIO
1969-1970	309	$ 337,423.00	$ 17,700.00	$ 11,449.00	0.64
1970-1971	346	$ 882,644.00	$ 31,937.00	$ 32,643.00	1.02
1971-1972	347	$ 766,303.00	$ 31,789.00	$ 61,022.00	1.91
1972-1973	392	$1,562,590.00	$ 79,343.00	$ 75,826.00	0.95
1973-1974	492	$1,747,875.00	$ 94,735.00	$246,874.00	2.60
1974-1975	560	$2,029,282.00	$164,811.00	$234,230.00	1.42
1975-1976	563	$2,285,874.00	$198,925.00	$168,151.00	0.84
1976-1977	601	$2,785,882.00	$224,369.00	$ 90,866.00	0.40
1977-1978	770	$3,453,011.00	$261,308.00	$252,676.00	0.96
1978-1979	781	$3,752,752.00	$287,315.00	$140,318.00	0.48
1979-1980	695	$4,007,142.00	$297,463.00	$302,169.00	1.01
1980-1981	666	$4,367,861.00	$312,813.00	$199,141.00	0.63
1981-1982	751	$5,851,383.00	$401,675.00	$222,576.00	0.55
1982-1983	760	$6,675,736.00	$449,121.00	$125,953.00	0.28
1983-1984	775	$8,772,994.00	$441,213.00	$443,804.00	1.00
1984-1985	740	$9,671,713.00	$447,710.00	$130,249.00	0.29

Since the Crop Insurance Program was first made available to Nova Scotia Farmers in 1969, for every dollar collected in premium from the farmer and along with the Federal Government's contribution - $.73 has been paid out in claims.

FEATURES OF THE LIVESTOCK INSURANCE PLAN:

The following are the diseases designated as insurable under the Dairy Livestock Insurance Plan:-

(1) Reportable (Brucellosis,Tuberculosis, Blue-tongue, Foot and Mouth, Mange, Vesicular Stomatitis) or such other diseases designated as reportable.
(2) Acute Mastitis - optional
(3) Shipping Fever - pneumonia type
(4) Infectious Bovine Rhinotracheitis (respiratory form) I.B.R.

COVERAGE & COSTS:

VALUE/HERD	COST/ANIMAL	VALUE/HERD	COST/ANIMAL
$ 200.00	$ .40	$1,000.00	$2.00 ($10.00)
$ 400.00	$ .80	$1,200.00	$2.40 ($12.00)
$ 600.00	$1.20 ($6.00)	$1,400.00	$2.80 ($14.00)
$ 800.00	$1.60 ($8.00)	$1,600.00	$3.20 ($16.00)

*figures in brackets indicate cost of including Acute Mastitis option.

LOSS OF INCOME BENEFIT - COVERAGE & COSTS:

The Loss of Income Benefit Option is only available to Dairy Insureds. This option is intended to compensate an insured when the monthly gross income from the sale of milk and/or cream is reduced below fifty percent (50%) of the average gross monthly income during the previous twelve (12) months as a result of one or more of the insurable diseases or fire. An insured can select the time period required such as 2,4,6, or 8 months. The Commission reduced the premium costs for the Loss of Income by 50% commencing in the 1984-85 year.

INSURED AMOUNT	2 MONTH PERIOD COST/YEAR	INSURED AMOUNT	2 MONTH PERIOD COST/YEAR
$1,000.00	$ 3.00	$ 8,000.00	$24.00
$2,000.00	$ 6.00	$ 9,000.00	$27.00
$3,000.00	$ 9.00	$10,000.00	$30.00
$4,000.00	$12.00	$11,000.00	$33.00
$5,000.00	$15.00	$12,000.00	$36.00
$6,000.00	$18.00	$13,000.00	$39.00
$7,000.00	$21.00	$14,000.00	$42.00
		$15,000.00	$45.00

DAIRY INSURANCE PLAN SUMMARY (April 1, 1984 - March 31, 1985)

NO. INSUREDS	NO. INSURED ANIMALS	TOTAL COVERAGE	TOTAL PREMIUM	NO. CLAIM ANIMALS	TOTAL INDEMNITY
219	18,263	$18,463,300	$42,030.	6	$14,459.

DAIRY LIVESTOCK INSURANCE PLAN SUMMARY (April 1, 1978 - March 31, 1985)

YEARS	NO. INSURED HERDS	NO. INSURED CATTLE	TOTAL PREMIUM	CLAIMS PAID
1978-1979	352	26,121	$ 59,198.14	$ 31,744.50
1979-1980	403	29,491	$ 86,731.88	$ 60,501.10
1980-1981	284	22,817	$ 77,919.61	$ 53,089.50
1981-1982	249	20,480	$ 53,326.15	$ 16,120.35
1982-1983	205	17,253	$ 42,423.00	$ 21,133.16
1983-1984	209	18,037	$ 43,820.40	$ 3,400.00
1984-1985	219	18,263	$ 42,030.80	$ 14,459.00
			$405,449.98	$200,447.61

DAIRY INSURANCE PLAN CLAIM SUMMARY (April 1, 1984 - March 31, 1985)

INSURABLE DISEASE	NO. CLAIM ANIMALS	TOTAL CLAIMS PAID
1. Acute Mastitis	2	$ 1,700.00
2. Shipping Fever	5	$ 6,759.00
3. I.B.R.	5	$ 6,000.00

CLAIM SUMMARY RE: DAIRY INSURANCE PLAN (April 1, 1978 - March 31, 1985)

DISEASE	NO. CLAIM ANIMALS	TOTAL CLAIMS PAID
1. Acute Mastitis	105	$103,832.85
2. Shipping Fever	48	$ 73,712.56
3. I.B.R.	22	$ 21,191.50
4. Brucellosis	2	$ 810.70

Since the Dairy Livestock Insurance Plan was first made available in 1978, for every dollar in premium paid by Dairy Insureds, $ .49¢ has been paid out in claims.

ACKNOWLEDGEMENTS

The Nova Scotia Crop & Livestock Insurance Commission expresses its appreciation to the following for the cooperation and assistance provided:

Agriculture Canada - Crop Insurance Division
N.S. Department of Agriculture & Marketing
Other Provincial Crop Insurance Agencies
The Commission's Field and Clerical Staff

Over the years the Commission has received cooperation from farmers and commodity groups in Nova Scotia, and at this time it wishes to recognize the assistance received.

CONCLUSION

The Program experienced a decrease in the number of growers under the Spring Grain and Winter Grain Plans. Where the spring was wet there were some growers who decided not to plant due to the lateness in the season, or reduced the number of planted acres. Concerning Winter Grain, there was a decrease in the number of growers in the Central and Northern areas of the Province growing winter cereals. There was a slight increase in the number of Dairy insureds over the previous year.

NOVA SCOTIA CROP & LIVESTOCK INSURANCE COMMISSION

SIXTEENTH ANNUAL REPORT

Fiscal Year Ending March 31st., 1985

BOARD MEMBERS:

P. VanOostrum	-	Chairman - Canard, Kings Co.
J. Johnson	-	Vice-Chairman - Dept. Agriculture & Marketing
W. McCurdy	-	Member - Old Barns, Col., Co.
D. Dickinson	-	Member - Southampton, Cumb. Co.
L. Palmer	-	Member - Berwick, Kings Co.
W. Dykstra	-	Member - Scotsburn, Pictou Co.

PRINCIPAL OFFICERS:

D.G. MacNeil	-	Manager
K.G. Bartlett	-	Secretary
B.A. Pratt	-	Accounting Clerk
B.M. Mahoney	-	Field Representative
R. Saunders	-	Regional Field Representative

AUDITOR:

Auditor General - Province of Nova Scotia

SOLICITOR:

J.R.M. Akerman

FIELD STAFF:

K. Morton
C. Hansen
Dr. F. Forsyth
E. Meister

Nova Scotia

Auditor General

PO Box 793
Halifax, Nova Scotia
B3J 2V9

AUDITOR'S REPORT

To the Chairman and Members of the
Nova Scotia Crop and Livestock
Insurance Commission and to the
Minister of Agriculture and Marketing

I have examined the balance sheet of the Nova Scotia Crop and Livestock Insurance Commission as at March 31, 1985, and the statement of revenues and expenses of the Commission and the statement of continuity of the Crop and Livestock Insurance Fund for the year then ended. My examination was made in accordance with generally accepted auditing standards and accordingly, included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Commission as at March 31, 1985 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

O.P. Cormier

O.P. Cormier, F.C.A.
Auditor General

Halifax, Nova Scotia
August 13, 1985

PROVINCE OF NOVA SCOTIA
NOVA SCOTIA CROP AND LIVESTOCK INSURANCE COMMISSION
BALANCE SHEET
AS AT MARCH 31, 1985

ASSETS

	1985	1984
Current		
Cash	$ 10,978	$ 24,643
Short term investments	2,294,486	1,667,482
Accounts receivable - premiums	399	1,372
Accrued interest receivable	26,472	62,778
	$2,332,335	$1,756,275

LIABILITIES AND FUND

Current		
Unearned premiums	$ 35,235	$ 36,079
Insurees' deposits	1,046	1,462
Provision for payment of unsettled indemnities	10,462	3,731
	46,743	41,272
Long Term		
Advance from Province of Nova Scotia	230,000	230,000
Crop and Livestock Insurance Fund		
Crop insurance	1,871,390	1,328,207
Livestock insurance	184,202	156,796
	2,055,592	1,485,003
	$2,332,335	$1,756,275

APPROVED ON BEHALF OF THE COMMISSION

P.O. van Berkum
Chairman

Wilbur Dykstra
Member

PROVINCE OF NOVA SCOTIA
NOVA SCOTIA CROP AND LIVESTOCK INSURANCE COMMISSION
STATEMENT OF CONTINUITY
CROP AND LIVESTOCK INSURANCE FUND
FOR THE YEAR ENDED MARCH 31, 1985

	Crop Insurance	Livestock Insurance	Totals 1985	Totals 1984
Balance, beginning of year	$1,328,207	$156,796	$1,485,003	$1,289,830
Add: Net income	543,183	27,406	570,589	195,173
Balance, end of year	$1,871,390	$184,202	$2,055,592	$1,485,003

PROVINCE OF NOVA SCOTIA
NOVA SCOTIA CROP AND LIVESTOCK INSURANCE COMMISSION
STATEMENT OF REVENUES AND EXPENSES
FOR THE YEAR ENDED MARCH 31, 1985

	Crop Insurance	Livestock Insurance	Totals 1985	Totals 1984
Revenues				
Insurance premiums (Schedule A)	$445,554	$ 43,114	$488,668	$479,070
Interest income	233,182	-	233,182	160,610
Miscellaneous	160	-	160	1,105
	678,896	43,114	722,010	640,785
Expenses				
Indemnity claims (Schedule A)	135,713	15,708	151,421	445,383
Administrative expenses (Schedule B)	231,416	-	231,416	220,464
	367,129	15,708	382,837	665,847
Income (deficiency) before Government contribution	311,767	27,406	339,173	(25,062)
Contribution by the Province of Nova Scotia (Note 1)	231,416	-	231,416	220,235
Net income	$543,183	$ 27,406	$570,589	$195,173

PROVINCE OF NOVA SCOTIA
NOVA SCOTIA CROP AND LIVESTOCK INSURANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 1985

1. Accounting Policies

Government Contributions

The Department of Agriculture and Marketing pays the administrative expenses of the Commission. This amount is shown as a contribution by the Province of Nova Scotia on the Statement of Revenues and Expenses.

Income and Expenses

Interest income and administrative expenses are attributed 100% to the crop insurance fund.

Fixed Assets

The costs of furniture and equipment purchases are expensed 100% in the year of acquisition.

2. Crop Re-Insurance Fund

The Province is party to an agreement with the Government of Canada, whereby, the Province makes advances to a fund administered by the Government of Canada called the Crop Re-Insurance Fund of Canada for Nova Scotia. The purpose of this Fund is to assist the Province of Nova Scotia when there is a requirement by the Province to make advances to the Commission for the payment of crop insurance indemnities. The balance of the non-interest bearing advances on hand in this Fund belonging to the Province as at March 31, 1985 was $364,760. Transactions concerning this Fund are not recorded in the accounting records of the Commission.

SCHEDULE A

PROVINCE OF NOVA SCOTIA
NOVA SCOTIA CROP AND LIVESTOCK INSURANCE COMMISSION
PREMIUM REVENUE AND INDEMNITY CLAIMS
FOR THE YEAR ENDED MARCH 31, 1985

	Premium Revenue				Indemnity Claims	
Crop Insurance	Farmer	Federal	1985	1984	1985	1984
Spring grain	$ 18,819	$ 18,819	$ 37,638	$ 42,344	$ 14,467	$ 26,335
Winter grain	9,582	9,582	19,164	22,416	11,620	24,665
Tree fruit	59,051	59,051	118,102	102,452	9,976	225,238
Tobacco	25,160	25,160	50,320	48,448	-	-
Corn	14,635	14,635	29,270	29,264	6,564	16,952
Peas & beans	71,740	71,740	143,480	139,398	63,285	138,159
Blueberries	18,145	18,145	36,290	38,604	24,971	2,889
Strawberries	4,253	4,253	8,506	10,590	1,833	5,314
Forage	1,392	1,392	2,784	3,004	2,997	1,431
	222,777	222,777	445,554	436,520	135,713	440,983
Livestock Insurance						
Dairy	43,114	-	43,114	42,550	15,708	4,400
Total	$265,891	$222,777	$488,668	$479,070	$151,421	$445,383

SCHEDULE B

PROVINCE OF NOVA SCOTIA
NOVA SCOTIA CROP AND LIVESTOCK INSURANCE COMMISSION
ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED MARCH 31, 1985

	1985	1984
Salaries and wages	$168,907	$154,818
Travel	24,719	27,762
Professional and special services	5,130	7,184
Supplies and services	16,392	14,898
Other	16,268	15,802
	$231,416	$220,464